

² See, e.g., comments of Sprint, p. 3.

consumers and carriers that have experienced rural call completion problems, and remains willing to work with all parties to craft reasonable and effective measures to address such problems.

As discussed below, Sprint does not believe that the industry-wide data retention and reporting obligations proposed in the NPRM are the right approach. The comments demonstrate that the proposed rules are onerous and overbroad, and that their cost will far outweigh any possible benefit. Instead, the Commission should clearly identify what constitutes unreasonable or unlawful rural call completion practices, and engage in targeted enforcement activity to curtail the unacceptable activities of identified bad actors. The Commission also should encourage industry best practices to address technical and network issues that adversely affect call completion.

In their comments, various rural incumbent local exchange carriers (RLECs) and consumer groups expressed deep concern about what they characterize as an on-going problem of “epidemic” proportions in the termination of calls to end users in RLEC exchanges.³ To address this “epidemic,” these parties have urged adoption of reporting obligations that are broader and more stringent than those proposed in the NPRM;⁴

³ See, e.g., NECA/NTCA/WTCA/ERTA (“Rural Associations”), pp. 4-5 (“deliberate non-completion of calls is a national problem” and an “epidemic”); Joint comments of Bay Springs, Breda, BTC, Cooperative, Crockett, Dumont, East Buchanan, Hickory, Modern Cooperative, Moultrie Independent, Mutual Telephone Co. of Morning Sun, National Telephone of Alabama, Odgen, Olin, Palmer Mutual, Peoples, Prairie, Roanoke, Royal, Sharon, Springville Cooperative, Terril, Farmers Mutual of Stanton, Iowa, Villisca Farmers, Wellman Cooperative, West Liberty, Westside Independent, West Tennessee, and WTC Communications (“RLEC Coalition”), p. i (“illicit call degradation” caused by upstream service providers’ “inaction and lack of cooperation”); NASUCA, p. 4 (“call completion failure” is both an intra- and interstate problem); NARUC, p. 2 (need “immediate action” to provide relief to consumers experiencing call completion problems).

⁴ See, e.g., comments of New Jersey Rate Counsel, p. 7 (recommending adoption of quality standards and monthly reporting); NASUCA, pp. 3, 4, 20-25 (reporting should be

absolute parity in rural and non-rural call completion rates (99.999%, as recommended by some parties) and other quality of service standards;⁵ and implementation of a mandatory provider contact registry.⁶

The Commission should not adopt the onerous, expanded obligations advocated by the RLECs. Although RLECs continue to use the term “epidemic” to characterize the rural call completion situation, comments filed in this proceeding cast serious doubt over how widespread the problem actually is. Parties have pointed out that the call completion studies and surveys cited by RLECs and RLEC associations have never been subjected to independent review, “lack rigor and controls,” and were done “without meaningful input or participation” from IXC’s or neutral parties.⁷ Other RLEC-provided information was largely anecdotal, and consumer complaint information is often incomplete or not dispositive.⁸

Neutrally designed, joint testing and other studies showed some very different results, strongly suggesting that any problem may be targeted (involving specific carriers) rather than wide-spread (involving all or many interexchange carriers, or a substantial percentage of rural calls). For example, cooperative IXC-LEC call tests conducted in rural exchanges under the oversight of the Nebraska PUC resulted in a **99.79%** call completion rate for Sprint, and a 98.3% call completion rate for CenturyLink.⁹ The

expanded to include intrastate calls, calls to CMRS subscribers, all carriers, no sunset of proposed rules); NARUC, pp. 4, 10-12 (require reporting of call failure reason codes and post dial delay; subject all IXC’s to proposed rules); Rural Associations, p. 16 (no safe harbors).

⁵ See, e.g., NASUCA, p. 24; NARUC, p. 8; RLEC Coalition, p. 12.

⁶ See, e.g., Rural Associations, p. 26.

⁷ See, e.g., Sprint, pp. 5-8; CenturyLink, p. 6; Verizon, p. 3.

⁸ See, e.g., CenturyLink, p. 6; CTIA, p. 3; Verizon, pp. 1, 5; Sprint, p. 8.

⁹ See Sprint, p. 11; CenturyLink, p. 8.

California PUC collected information over a 3-month period and found that 10 (out of 14) RLECs reported a combined total of 213 non-terminated calls – an average of about 7 calls per LEC per month.¹⁰ Even some RLECs appear to suggest that problems with rural call completion might be due to the actions of a limited number of carriers. The Rural Associations, for example, discuss the harm resulting from the “deliberate, and, in some cases, deceitful actions of certain...service providers in unlawfully refusing to deliver calls to rural exchanges,”¹¹ while the RLEC Coalition criticizes “inaction and lack of cooperation”¹² by some service providers – accusations which certainly do not apply to Sprint.

If, as seems highly likely, the claimed problems with rural call completion are due to the actions of a limited number of carriers, it makes no sense to impose sweeping data retention and reporting obligations on all facilities-based interexchange carriers, CMRS providers, interconnected VoIP service providers, and local exchange carriers with more than a specified number of retail long distance subscribers. This would be a vast and expensive obligation. Sprint handles approximately 1.9 billion interexchange calls each month,¹³ and Verizon estimated its call volume in excess of 6 billion calls per month.¹⁴ The cost of gathering, storing, sorting, and reporting this volume of information will be significant -- an estimated \$6.8 million per year for Sprint alone¹⁵ -- and will surely exceed, on an industry-wide level, any possible benefits. Even at the 100,000 subscriber threshold proposed in the NPRM, the Commission has estimated that its proposed rules

¹⁰ See California PUC, p. 2.

¹¹ See Rural Associations, p. 23.

¹² See RLEC Coalition, p. i.

¹³ See Sprint, p. 17.

¹⁴ See Verizon, p. 9.

¹⁵ See Sprint, p. 18.

could affect thousands of carriers -- “most providers” of incumbent local exchange service, local exchange service, competitive access providers, Shared-Tenant-Service Providers, and Other Local Service Providers, and “the majority of” interexchange service providers, prepaid calling card providers, local resellers, toll resellers, and wireless firms.¹⁶ If the Commission were to accept the expanded reporting requirements proposed by various RLECs and consumer groups, the price tag would, of course, be even larger.¹⁷

The comments also cast considerable doubt about the premise that calls to rural exchanges are failing to complete because interexchange carriers are attempting to evade call termination charges by using intermediate providers.¹⁸ The Rural Associations appear to question the relevance of terminating charges to call completion, stating there is “no solid evidence that previous decreases in RLEC terminating access rates and reciprocal compensation have reduced call completion problems.”¹⁹ Several parties, including the Commission itself, have pointed to increasing volumes of IP traffic which use algorithms that RLEC or end user equipment cannot completely accommodate, as a possible cause of some call completion problems.²⁰

¹⁶ See Appendix B of the NPRM (Initial Regulatory Flexibility Analysis, description and estimate of the number of small entities to which the proposed rules will apply), pp. 27-30.

¹⁷ Sprint would note that the RLEC Coalition has recommended (p. ii) expanded reporting requirements for carriers other than LECs that serve study areas with fewer than 10,000 inhabitants -- an exception that coincidentally would exclude most, if not all, of the RLEC Coalition members.

¹⁸ See, e.g., NPRM, para. 6.

¹⁹ See RLEC Associations, p. 22.

²⁰ See, e.g., Sprint, p. 11; NASUCA, pp. 11-15 (pointing to the increase in IP traffic as a possible factor in rural call completion issues); USTelecom, p. 6 (the mix of PSTN and IP networks); December 6, 2011 letter from Sharon Gillett and James Barnett, FCC, to Thomas Goode, ATIS, p. 2 (“some of these call completion concerns may be attributable

Sprint provided a list of several other factors that could cause rural call completion rates to differ from non-rural call completion rates, with the differing completion rates still being entirely reasonable: older equipment that is at greater risk for dial-through fraud; incorrect data in routing tables; telemarketing calls; access facility capacity; and the routing of traffic through access tandems and remote host arrangements.²¹

ATIS, the industry standards body, conducted surveys which “did not identify the root cause(s) of the call-completion problems.”²² NARUC acknowledges that not all call failures are due to least cost routing – other causes include abandoned calls and failure to update routing tables.²³ USTelecom cites delays in updating LERG, and gaps in mobile voice coverage.²⁴ Level 3 lists inadequate capacity, problems in tandem providers’ or the terminating LECs’ networks, or local conditions as factors that can affect call completion rates.²⁵ Verizon notes that call completion rates can be affected by use of autodialers and telemarketing calls, and that roaming in rural areas could increase the percentage of dropped calls.²⁶

Given this multitude of factors – many of which are beyond the control of any interexchange carrier -- it simply does not make sense to impose onerous reporting obligations on the entire class of carriers. Even if all of these factors were irrelevant, and rural call completion problems were due entirely to high or jurisdictionally varying

to the interworking of TDM- and IP-based technologies in today’s current generation network”).

²¹ See Sprint, pp. 11-12.

²² See ATIS, p. 3.

²³ See NARUC, p. 6.

²⁴ See USTelecom, p. 6.

²⁵ See Level 3, p. 3.

²⁶ See Verizon, p. 4.

intercarrier compensation rates, the solution would be to push those intercarrier compensation rates to cost-based levels – a process which the Commission has already begun to implement with the transition to bill-and-keep for certain terminating elements (indeed, the transition should be accelerated).

The Commission also should reject proposals to mandate 99.999% call completion rates or other quality of service levels, or to mandate absolute parity for rural and non-rural call completion rates. The retail voice interexchange market is indisputably competitive, and it would be a grave mistake for the Commission to insert itself into that market by adopting such standards. Even assuming that all factors affecting call completion rates are under the control of an interexchange carrier (obviously not the case), the cost of complying with such standards would be extraordinary, and it is simply not realistic to expect parity in every instance.

This is not to say that nothing can or should be done to address rural call completion concerns. To the contrary, the Commission should take the following actions:

- Adopt a detailed definition of “call completion,” and then clearly identify what behaviors it deems unreasonable or unlawful because of their impact on call completion. It should then use targeted enforcement activities to address specific instances of unacceptable behavior.
- Direct ATIS to continue its efforts to develop industry standards and best practices to ensure that TDM and IP networks can “talk” to each other. (Ensuring compatibility does, of course, have implications far beyond the rural call completion issue.) The Commission should also work with ATIS or other industry forums to help ensure that all carriers update and download LERG information expeditiously so that their routing tables reflect the correct CLLI codes for all terminating end offices.
- Implement a provider contact registry as proposed by the Rural Associations. Sprint has cooperated fully with any RLEC or regulatory body that has requested assistance in investigating and resolving call completion issues, both one-on-one and through industry forums and regulatory proceedings/

workshops, and stands ready to provide contact information for its dedicated Access Trouble Hot Line and Access Trouble Report email box.

- Enforce existing prohibitions on unlawful activities such as deliberately changing calling party information or other signaling parameters. Sprint does not oppose the proposal (NPRM, para. 14) that would prohibit originating and intermediate providers from causing audible ringing to be sent to the caller before the terminating provider has signaled that the called party is being alerted.

Respectfully submitted,

SPRINT NEXTEL CORPORATION

/s/ Charles W. McKee

Charles W. McKee
Vice President, Government Affairs
Federal and State Regulatory

Norina T. Moy
Director, Government Affairs

900 Seventh St. NW, Suite 700
Washington, DC 20001
(703) 433-4503

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